Sanitized Copy Approved for Release 2010/09/29 : CIA-RDP85T00287R001001510002-4
Central Intelligence Agency



25X1



Washington, D. C. 20505

DIRECTORATE OF INTELLIGENCE 2 March 1984

MEMORANDUM FOR: Mr. David Curry

Room 4134

Treasury Department

FROM

Office of European Analysis

Economic Issues Branch

SUBJECT

Further Oil-Supply Disruption Scenarios

Per your telephone request of 1 March 1984, I used the Linked Policy Impact Model to address the impact of various oilprice rises on the OECD in 1984. In these five scenarios, the average oil price rises from \$29 to \$41, \$44, \$50, \$60, and \$65 respectively. As you suggested, the OPEC import coefficient is adjusted from 0.4 to 0.44. All other assumptions are as described in my memo of 1 February 1984.

EUR M 84-10036

Attachments: Tables

25X1

25X1

25X1

25X1

CONFIDENTIAL

CONFIDENTIAL

Table 1

OIL PRICE RISES TO \$41

DEVIATIONS FROM BASELINE

1984.

	REAL GDP GROWTH	BALANCE OF PAYMENTS	INFLATION RATE: CPD	UNEMPLOYMENT RATE
US CANADA	-1.8 -1.0	-13.9 -0.8	+2.8 +0.9	+0.4 +0.2
JAPAN	-0.6	-18.2	+1.5	+0.1
·UK	+0.0	+3.2	+0.6	-0.0
FRANCE GERMANY	-0.8 -0.3	-4.0 -1.0	+1.4 +2.0	+0.3 +0.1
ITALY SDCS*	-1.1 -0.2	-4.2 -1.7	+1.9 +2.0	+0.1 +0.1
OECD	-0.9	-40.7	+2.0	+0.2

CONFIDENTIAL

^{*}Smaller developed countries

CONFIDENTIAL

Table 2

OIL PRICE RISES TO \$44

DEVIATIONS FROM BASELINE

1984

	REAL GDP GROWTH	BALANCE OF PAYMENTS	INFLATION RATE: CPD	UNEMPLOYMENT RATE
US	-2.2	-17.0	+3.4	+0.5
CANADA	-1.2	-1.0	+1.2	+0.2
JAPAN	-0.7	-22.6	. +1.9	+0.2
UK	+0.0	+4.0	+0.8	-0.0
FRANCE	-1.0	- 5.0	+1.8	+0.3
GERMANY	-0.4	-1.3	+2.5	+0.2
ITALY	-1.4	- 5.2	+2.4	+0.1
SDCS	-0.3	-1.9	+2.5	+0.1
OECD	-1.1	-50.0	+2.5	+0.2

Table 3

OIL PRICE RISES TO \$50

DEVIATIONS FROM BASELINE

1984

	REAL GDP GROWTH	BALANCE OF PAYMENTS	INFLATION RATE: CPD	UNEMPLOYMENT RATE
US	-3.0	-22.6	+4.6	+0.7
CANADA	-1.7	-1.3	+1.8	+0.3
JAPAN	-1.0	-31.3	+2.6	+0.2
UK	+0.0	+5.7	+1.1	+0.0
FRANCE	-1.4	-7.0	+2.5	+0.5
GERMANY	-0.5	-2.0	+3.3	+0.2
ITALY	-2.0	-7.2	+3.3	+0.1
SDCS	-0.4	-2.1	+3.4	+0.1
OECD	-1.6	-67.9	+3.4	+0.3

Table 4

OIL PRICE RISES TO \$60

DEVIATIONS FROM BASELINE

1984

	REAL GDP GROWTH	BALANCE OF PAYMENTS	INFLATION RATE: CPD	UNEMPLOYMENT RATE
US 👆	-4.3	-30.5	+6.5	+1.0
CANADA JAPAN	-2.6 -1.6	-1.9 -45.6	+3.0 +3.8	+0.5 +0.4
UK	-0.0	+8.5	+1.6	+0.0
FRANCE GERMANY	-2.2 -0.8	-10.3 -3.2	+3.6 +4.7	+0.7 +0.4
ITALY SDCS	-3.0 -0.6	-10.4 -1.9	+4.9 +4.8	+0.2 +0.1
OECD	-2.3	- 95.2	+4.9	+0.5

Table 5

OIL PRICE RISES TO \$65

DEVIATIONS FROM BASELINE

1984

	REAL GDP GROWTH	BALANCE OF PAYMENTS	INFLATION RATE: CPD	UNEMPLOYMENT RATE
US	-4.9	-33.8	+7.4	+1.2
CANADA	- 3.0	-2.1	+3.6	+0.5
JAPAN	-1.9	-52.6	+4.4	+0.5
UK	-0.1	+9.9	+1.8	+0.0
FRANCE	- 2.6	- 11.9	+4.1	+0.9
GERMANY	-0.9	-3.8	+5.3	+0.4
ITALY	- 3.5	- 11.9	+5.6	+0.2
SDCS	-0.8	-1.6	+5.4	+0.2
OECD	-2.7	-107.8	+5.6	+0.5

CONFIDENTIAL

Sanitized Copy Approved for Release 2010/09/29 : CIA-RDP85T00287R001001510002-4

(2March84)

Distribution: Further Oil-Supply Disruption Scenarios
Orig. - David Curry
1 - OGI/ECD/EA
4 - IMC/CB
1 - D/EURA
2 - EURA Prod.
1 - EURA/EI
2 - EURA/EI|
1 - Author

DDI/EURA/EI/EI

25X1